Government of Saskatchewan

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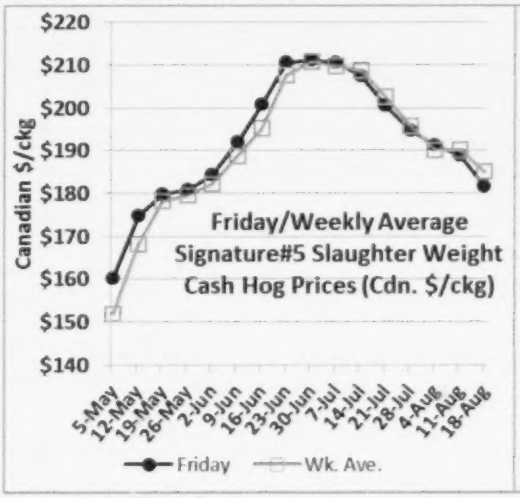
Weekly Hog Report

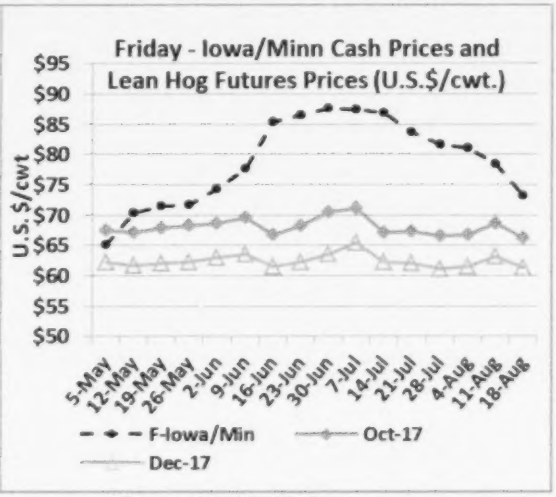
August 21, 2017

Cash Slaughter Weight Hog Prices

United States daily average slaughter weight cash hog prices (Iowa/Minn) moved lower last week. Hog prices on Friday August 18 averaged US$73.21 per cwt, down US$4.87 per cwt or 6.2 per cent from US$78.08 per cwt the previous Friday. The negotiated weekly base price last week averaged US$76.63 per cwt, down US$3.22 per cwt or 4.0 per cent from US$79.85 per cwt the previous week. Slaughter weight hogs prices were lower on increased slaughter volumes and lower pork cutout values.



Source: HAMS Marketing



Source: LMIC, CME

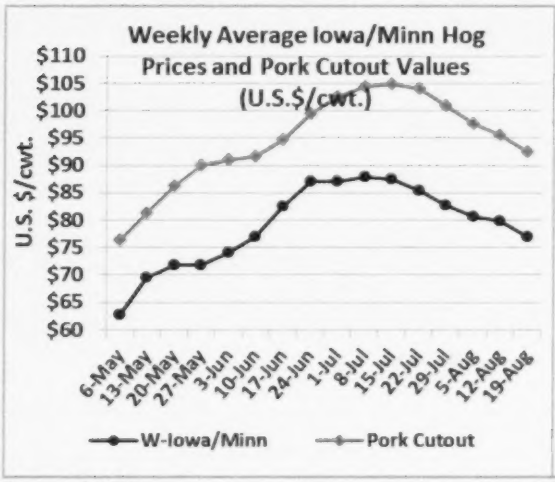
In Canada, the Signature#5 (Maple Leaf) Index 100 daily price for Friday August 18, 2017 was $181.65 per ckg, down $7.12 per ckg or 3.8 per cent from $188.77 per ckg the previous Friday. Signature#5 weekly prices (Friday to Thursday) averaged $185.00 per ckg, down $4.98 per ckg or 2.6 per cent from the previous weeks' average price of $189.98 per ckg. The Canadian dollar ended the week higher compared to the previous week. The Canadian dollar versus the U.S. dollar settled last Friday at 79.45 cents, up 0.62 cents from 78.83 cents the previous Friday.

Futures Markets

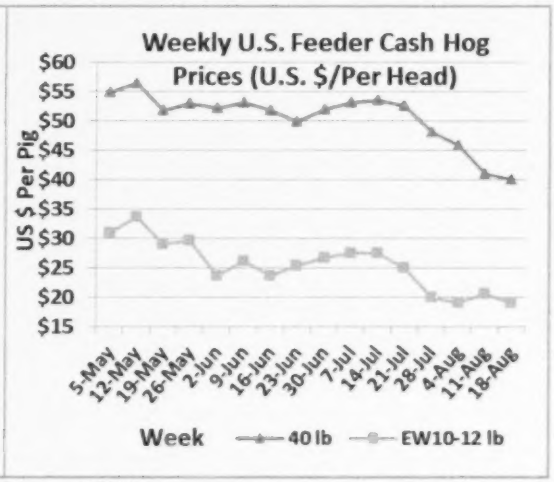
United States lean hog futures daily prices were mixed but primarily lower to end the week down, week-over-week. The August contract was slightly lower to expire Wednesday at US$84.38 per cwt. The October lean hog futures contract declined US$2.50 per cwt to settle last Friday at US$66.125 per cwt; while the December contract declined US$1.925 per cwt to settle last Friday at US$61.325 per cwt.

Cash Feeder Hog Prices

North American (Iowa) iso-wean (10-12lb) cash hog prices and feeder (40lb) cash hog prices edged lower last week. Weighted average cash prices for iso-weans (12lb) last week were US$19.11 per head, down US$1.46 per head or 7.1 per cent from US$20.57 per head the previous week. Feeders (40lb) averaged US$39.92 per head, down US$1.00 per head or 2.4 per cent from US$40.92 per head, the previous week.



Source: LMIC



Source: USDA

Iowa cash corn prices settled last Friday at US$3.07 per bushel, down six cents from US$3.13 per bushel the previous Friday. Daily corn futures were primarily lower with the biggest decline on Tuesday to push prices lower, weak-over-week. The September corn contract declined almost nine cents per bushel to settle last Friday at US$3.52 per bushel, while the December contract declined nine cents to settle last Friday at 3.65 ¾ per bushel. The August 10th USDA World Agricultural Supply and Demand Estimates pegged U.S. corn production better than analyst expectations.

Hogs Slaughtered

U.S. hogs slaughtered under federal inspection for the week ending August 19 were estimated at 2.332 million head, up 2.6 per cent from 2.272 million head the previous week, and up 1.6 per cent from 2.295 million head the same week a year ago. Weekly U.S. hog slaughter numbers over the last four weeks have averaged about 2.269 million head, up 1.6 per cent from 2.233 million head over the same period a year ago.

In Canada, federal and provincial hog slaughter numbers for the shorter holiday week ending August 12, 2017 were estimated at 376,603 head, down 4.0 per cent from 392,159 head the previous week, and down 8.5 per cent from 411,447 head the same week a year ago. Canadian hog slaughter numbers over the last four weeks averaged 397,534 head, up slightly from 396,692 head over the same period a year ago. Year-to-date, Canadian hog slaughter numbers totaled 13,163,756 head, up 1.9 per cent from the same period a year ago. (Source: AAFC/CFIA)

Meat Production

U.S. pork production for the week ending August 19, 2017 was estimated at 481.9 million lb., up 2.6 per cent from 469.9 million lb. the previous week, and up 1.5 per cent from 474.4 million lb. the same week a year ago. Pork production over the last four week's ending August 19 was estimated to average 469.0 million lb., up 1.4 per cent from 462.6 million lb. over the same four week period a year ago.

U.S. beef production for the week ending August 19 was estimated at 514.5 million lb., down 0.7 per cent from 518.0 million lb. the previous week, but up 3.4 per cent from 497.6 million lb. the same week a year ago.

Combined production of U.S. beef, pork, chicken and turkey over the four weeks ending August 12, 2017, was estimated to average 2.104 billion lb., up 2.2 per cent from 2.060 billion lb. over the same four weeks a year ago. Year-to-date, total U.S. meat production for 2017 is estimated to be up 2.1 per cent compared to the same period in 2016.

United States Weekly Meat Production

(August 12) Four Week Average - Million Lb			Percent Change	
	2016	2017	4 Week	YTD 2017
Pork	455.5	462.4	1.5%	2.7%
Beef	480.5	509.7	6.1%	4.6%
Chicken	993.2	1,001.6	0.8%	1.0%
Turkey	130.8	130.7	-0.1%	0.3%
Total	**2,060.0**	**2,104.4**	**2.16%**	**2.15%**

Source: LMIC

Cutout Values

U.S. national pork cutout values for the week ending August 19, 2017 averaged US$92.32 per cwt, down US$3.21 per cwt or 3.4 per cent from US$95.53 per cwt the previous week, but up 23.8 per cent from US$74.60 per cwt from the same week a year ago.

Choice beef cutout prices (600-900 lb.) for the week ending August 19, 2017 averaged US$197.06 per cwt over the week, down US$4.31 per cwt or 2.1 per cent from US$201.37 per cwt the previous week, and down 2.1 per cent from US$201.24 per cwt the same week a year ago.

Average chicken cutout values (breast) for the week ending August 19, 2017 averaged US$145.47 per cwt, down US$1.93 per cwt or 1.3 per cent from US$147.40 per cwt the previous week, and down 2.4 per cent from US$149.09 per cwt the same week a year ago.

Canadian Hog Inventory

Statistics Canada released the July 1, 2017 hog inventory numbers last week. Total inventory of hogs in Canada for July 1, 2017, was estimated to be 14,130,000 head, up 2.1 per cent from 13,840,000 head on July 1, 2016.

The Canadian market herd inventory on July 1, 2017, was estimated at 12,854,700 head, up 2.2 per cent from 12,579,200 head on July 1, 2016. Market inventory numbers have increased from a year ago in all weight classes except the 7kg to 23 kg weight category.

The Canadian breeding herd, consisting of sows and bred gilts, was estimated at 1,251,600 head on July 1, 2017, up 1.2 per cent from 1,237,300 head on July 1, 2016. (Source: Statistics Canada) The numbers continue to indicate some small growth in the Canadian hog industry.

In Saskatchewan, total hog inventory as of July 1, 2017, was estimated at 1,225,000 head, up 3.8 per cent from 1,180,000 head on July 1, 2016. Sow and bred gilt inventory as of July 1, 2017, was 103,200 head, up 2.7 per cent from 100,500 head a year ago. Market inventory numbers on July 1, 2017 was estimated at 1,118,800 head, up 3.9 per cent from 1,076,700 head on July 1, 2016. The increase in market inventory numbers was from both increased production and more pigs kept back for finishing. The numbers of pigs in the weight categories between 7kg and 53kg were higher than a year ago; while the inventory of pigs in categories above 53kg averaged almost three per cent lower from a year ago.

According to Statistics Canada data, the total pigs born in Canada during the first half (January-to-June) of 2017 was estimated at 16,752,500 head, up 2.7 per cent from 16,308,000 pigs born during the first half of 2016. In Saskatchewan the total pigs born in the first half of 2017 was estimated at 1,408,000 head, up 4.1 per cent from 1,352,000 pigs in the first half of 2016.

In Canada, the number of sows bred to farrow in the second half (July-to-December) of 2017 is estimated at 1,273,700 head, up 3.1 per cent from 1,235,800 head over the same period (second half) in 2016. In Saskatchewan, the number of sows bred to farrow in the second half of 2017 is estimated at 114,000 head, up 11.2 per cent from 102,500 head during the second half of 2016. Breeding indications are projecting continued growth in the Canadian hog industry for 2017.

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